

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2003-338-C - ORDER NO. 2004-478  
OCTOBER 11, 2004

IN RE: Proceeding to Review Verizon South, Inc.'s	)	ORDER GRANTING
Cost Methodology for Pricing of Unbundled	)	MOTION TO DELAY
Network Elements.	)	AND ALTER CURRENT
	)	SCHEDULE

This matter comes before the Public Service Commission of South Carolina (“Commission”) on a letter from Verizon South, Inc. (“Verizon”) dated December 8, 2003, and a Motion to Delay and Alter Current Schedule to File Testimony by Verizon and Other Parties filed by Verizon on December 15, 2003. A letter in response to Verizon’s letter and Motion was filed by HTC Communications, Inc. (“HTC”).

The instant proceeding arose from the arbitration of the terms and conditions of an interconnection agreement between HTC and Verizon. In Order No. 2002-450, Docket No. 2002-66-C, the Commission determined that several issues were not appropriate for resolution within the context of the arbitration proceeding but that those issues required separate proceedings noticed to parties other than the two parties involved in the arbitration proceeding. One of those issues was the cost methodology for pricing unbundled network elements (“UNEs”) offered by Verizon; thus the creation of the instant docket.

By letter dated December 8, 2003, Verizon requests a postponement of current filing dates due to pending action by the Federal Communications Commission (“FCC”)

on the FCC's proposals to reform the TELRIC cost methodology which is at issue in the instant case. Verizon states that it is currently set to file its direct case testimony on December 19, 2003. Verizon notes that at the conclusion of oral arguments on a confidentiality issue in this case that HTC advised the Commission that it would require a postponement of twelve weeks in the current schedule for HTC's consultants to familiarize themselves with Verizon's cost model. Verizon requests that the Commission immediately postpone the current schedule to file testimony set by Order No. 2003-580 in order to accommodate the twelve week request of HTC and to relieve Verizon from filing its direct testimony on December 19, 2003.

Verizon also, in its letter of December 8, 2003, advises the Commission that the FCC's notice of proposed rulemaking tentatively concludes that specific and fundamental changes are warranted in the current TELRIC methodology. Further, Verizon notes that the comment cycle on the TELRIC rulemaking ends January 30, 2004. Verizon suggests that neither the parties nor the Commission would be well served by simultaneously proceeding with the instant case, only to be required to relitigate the issues under new FCC standards that may well emerge from the FCC's pending rulemaking. Verizon further suggests that a stay is warranted given the resource constraints already generated by the pending Triennial Review Order.

In response to Verizon's letter and Motion, HTC agreed with Verizon that the current schedule as set by the Commission should be postponed until HTC has access to Verizon's cost study and to reasonable time within which to review the study and prepare its case. HTC stated that it does not necessarily agree that the hearing should be

postponed pending TELRIC review and resolution of issues from the Triennial Review Order, but HTC further acknowledged that it would not object if the Commission deems such a postponement to be in the best interest of an efficient and final resolution of this matter. HTC did urge the Commission to proceed as quickly and efficiently as possible to ensure that Verizon provides UNEs and services at appropriate cost-based rates in accordance with the law. Finally, HTC requests that should the Commission grant the indefinite delay requested by Verizon that the Commission also hold in abeyance resolution of the confidentiality dispute between Verizon and HTC and for which briefs and proposed orders are to be filed on December 22, 2003.

Upon consideration of this matter, the Commission finds and concludes that the instant proceeding should be held in abeyance at the present time. The Commission is aware of the proceedings being conducted at the FCC concerning the FCC's proposals to reform the TELRIC cost methodology. As the TELRIC cost methodology for UNE pricing is an FCC requirement, the Commission recognizes that proceeding without the benefit of knowing the result of the FCC's proceedings could result in a decision which could be at odds with what the FCC decides. Therefore, the Commission finds and concludes that it is in the interest of the parties, the Commission, and the public to hold the instant matter in abeyance until we receive some guidance from the FCC's proceedings.

As the Commission finds that it is necessary to hold in abeyance the present proceeding, the Commission likewise finds it necessary to alter the schedule presently issued pursuant to Order No. 2003-580. The Commission holds that scheduling Order

No. 2003-580 is vacated and held in abeyance at this time. Therefore, the parties are relieved indefinitely of the filing requirements imposed by Order No. 2003-580.

Similarly, the Commission holds that the parties need not file briefs or proposed orders with regard to the oral arguments on the confidentiality issue. Those briefs or proposed orders were to be filed with the Commission no later than December 22, 2003. Those briefs and proposed orders are also held in abeyance indefinitely.

The Commission does caution the parties that the herein granted delay in these proceedings is not an indication that this docket is ended. The Commission advises the parties to continue their work in this docket and to work toward resolution of the confidentiality issue, as well as resolution of other issues in this docket. When the Commission is set to proceed with this matter, it is the hope of the Commission that the confidentiality issue, as well as other issues in this docket, will have been resolved by the parties.

Finally, the Commission advises the parties that they may communicate to the Commission when the Commission should proceed with this matter.

IT IS THEREFORE ORDERED THAT:

1. Verizon's request to delay this docket indefinitely is granted, and this docket is held in abeyance until further notice from the Commission.
2. The schedule of prefiling of testimony and exhibits as established by Order No. 2003-580 is vacated, and no party is under any obligation to prefile testimony and exhibits in this docket until further notice from the Commission.

3. The briefs and proposed orders concerning the confidentiality issue and which are scheduled to be filed on December 22, 2003, are held in abeyance indefinitely. The parties will be notified in the future if and when those documents will be required.

4. The parties are instructed to continue to work toward resolution of the issues in this docket, particularly, but not limited to the confidentiality issue for which oral arguments were heard.

5. The parties, or any party, may notify the Commission when the Commission should continue and proceed with this matter. Likewise, the Commission may sua sponte reinstitute the proceedings.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/  
Randy Mitchell, Chairman

ATTEST:

/s/  
G. O'Neal Hamilton, Vice Chairman

(SEAL)